

EMBASSY OF THE REPUBLIC OF THE MARSHALL ISLANDS

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May 26, 1995

H.E. Hazel O'Leary Secretary of Energy United States Department of Energy 1000 Independence Avenue, S.W. Washington, D.C. 20585

Dear Secretary O'Leary:

Our government has learned informally that the U.S. Army Missile Command has offered to support the Department of Energy's radiation program in the northern Marshall Islands. While I understand that DOE officials have orally briefed officials of my government about some aspects of proposed changes to the Marshall Islands program, I would like to request written clarification about the nature of these changes, especially as they pertain to medical support, personnel, and logistics which have been provided by outside comractors to DOE for more than a decade.

I am deeply concerned about reports that the Army may become involved in the radiation program since the Deputy Assistant Secretary of Energy Dr. Harry J. Pettengill, who heads the Office of International Health Programs, has provided us with no information about these negotiations — or even the fact that he has had negotiations with the U.S. Army Missile Command.

In general, my government has enjoyed excellent relations with the U.S. government and its agencies over the last several years. It goes without saying that your strong leadership has gone a long way towards alleviating the doubts and suspicions that many Marshallese citizens have harbored towards DOE and its predecessor agencies. Under these circumstances, Dr. Pettengiil's negotiations with the Army Missile Command seem to be a throwback to an earlier era of secrecy and one-sided initiatives.

I am concerned that the implications of involving the U.S. Army Missile Command have not been given full and proper consideration. At a minimum, there has been absolutely no consultation with my government, nor, to my knowledge, with the Office of Territorial and International Affairs of the U.S. Department of the Interior, the Pacific Island Affairs Office at the U.S. State Department, or Congress. DOE has been given clear directives by Congress to maintain the existing program, and to increase its

budget proportional to inflation, and therefore, I cannot understand how DOE can make changes to the RMI radiation program without consulting the forementioned.

DOE representatives have said that part of the proposed changeover is due to budgetary constraints, but, again, this raises more questions than it answers. Pirst, Congress has historically funded this program willingly and this year is no exception, despite the other major cutbacks in government spending. Second, this proposed change is, in effect, reverse privatization—taking work from outside contractors and placing it back in the U.S. government—in an economic climate in which privatization is the preferred course. Third, there is always the danger that an apparent cost-saving move by one government agency results in a net cost increase to the government when all related cost factors are taken into account.

Accordingly, I have the following questions:

- 1. What is the precise scope of services being offered by the U.S. Army to DOE to support DOE's radiation-related work in the Marshall Islands?
- 2. What is the motivation and public purpose served in acquiring from the Army services that are presently provided by the private sector?
- 3. What is the planned timetable for providing these services and what commitments, if any, have been made?
- 4. Is a vessel to be provided? If so, please provide the details. Also, how will scheduling conflicts between Army missions at Kwajalein and DOE missions be resolved?
- 5. Will the Army face competition, from either private industry or the U.S. government, for the right to provide these services?
- 6. Are the Army services being offered to DOE on less than a full cost recovery basis, taking into account all related support costs, maintenance costs, non-recurring costs, cost of money and labor costs, including pension and fringe benefits?
- 7. Has a cost analysis been performed to compare the cost of Army-provided services with the present cost of industry-provided services? If so, my government would like a copy such analysis.
- 8. Were other interested parties, such as the Department of the Interior, State Department or other RMI officials, consulted about turning over these functions to the U.S. Army? I am particularly concerned about this issue because of the dispute earlier this year between Dr. Pettengill and the National Academy of Sciences over the proposed shift of a program to Columbia University without full consultation.

There may be valid reasons for some of these proposed changes, but discussions with my government have been narrow in focus, and have never included the potential role of the Army. I therefore request that your office investigate this matter and respond to these questions as soon as possible before negotiations between DOE and the U.S. Army are finalized.

Sincerely,

Charge d'Affaires ad interim

cc: Mr. Franklin Huddle
Mr. Allen Stayman
Senator Frank Murkowski
Senator John Glenn
Senator Bennett Johnston
Congressman Don Young